

Tata Consultancy Services (TCS IN)

**Q1FY27 Result
Update**

July 10, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,500		2,540	
Sales (INR bn)	2,886	3,058	2,887	3,061
% Chng.	(0.0)	(0.1)		
EBITDA (INR bn)	777	832	792	845
% Chng.	(1.9)	(1.5)		
EPS (INR)	156.9	166.3	158.6	169.1
% Chng.	(1.1)	(1.7)		

Key Data

TCS.BO | TCS IN

BSE Code	532540
NSE Code	TCS
52-W High / Low	INR 3,367 / INR 1,976
Face Value	1
Sensex / Nifty	76,742 / 23,963
Market Cap	INR 7,415 bn / \$ 77,738 mn
Shares Outstanding	3618.09 mn
3M Avg. Daily Value	INR 11,987.78 mn

Shareholding Pattern (%)

Promoters	71.77
Foreign	9.66
Mutual Funds	5.77
Domestic Institution	7.64
Public & Others	5.16
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(4.7)	(20.8)	(35.2)	(38.5)
Relative	(8.2)	(21.0)	(29.4)	(33.1)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	2,553	2,670	2,886	3,058
EBITDA (INR bn)	673	724	777	832
Margin (%)	26.4	27.1	26.9	27.2
PAT (INR bn)	486	528	568	602
EV (INR bn)	7,035	7,026	6,984	6,930
Total Debt (INR bn)	-	-	-	-
C&C Eq. (INR bn)	83	64	58	65
EPS (INR)	134.2	146.0	156.9	166.4
Gr. (%)	5.3	8.8	7.5	6.0
DPS (INR)	126.0	110.0	140.0	149.7
Yield (%)	6.1	5.4	6.8	7.3
RoE (%)	51.8	52.3	51.6	52.0
RoCE (%)	49.6	49.9	49.0	49.7
EV/Sales (x)	2.8	2.6	2.4	2.3
EV/EBITDA (x)	10.5	9.7	9.0	8.3
PE (x)	15.3	14.0	13.1	12.3
P/BV (x)	7.8	6.9	6.6	6.2

Steady growth, optimistic of recovery from Q2

Quick Pointers

- Margins down on account of wage hike amid modest growth
- Annualised AI revenue at USD 2.6 bn, up from USD 2.3bn in Q4FY26

TCS reported 0.4% QoQ CC revenue growth, marginally ahead of our and consensus estimates; however, international business (excluding India) declined 0.2% QoQ (reported) after growing 1.6% QoQ in Q4FY26, reflecting the geo-political conflicts and continued macro uncertainty. While near-term demand remained soft across selected verticals such as Consumer and Manufacturing. The management sounded constructive and anticipates recovery in verticals except Consumer (non-essentials) from Q2FY27. Deal TCV was modest at USD9.5bn, up 1% YoY, the ramp up of NN deal (US\$800mn) should support the growth for the rest of FY27. Although the revenue from AI is growing at double-digit (QoQ), we believe the leakages in the traditional bucket are weighing on topline growth. We are keeping our growth rate (CC YoY) unchanged at 3.5% and 4.5% for FY27E/FY28E despite the mega deal awarded in Q1. On the margins front, Q1 margins were impacted by the annual wage hike (~170bps) along with continued investments in AI capabilities, partnerships, and net headcount additions (9k+QoQ). We are factoring in the Q1 miss and revise our margins downward by 40bps each for FY27E/FY28E, resulting in an EPS cut of 0.8% and 1.6%, respectively. We continue to value the stock at 15x FY28E EPS, to arrive at a TP of INR 2,500. **Maintain BUY.**

Revenue: TCS's Q1 performance of 0.4% QoQ CC growth was marginally ahead of our & consensus estimates. Revenue growth was driven by BFSI, Tech & Regional Markets, which grew 1.6%, 1.7% & 4% QoQ CC respectively. Consumer Business, Healthcare, EURS & Manufacturing declined 4%, 1%, 0.7%, & -0.5% sequentially in CC terms respectively, & CMT remained flattish. In Q1 annualized AI revenue grew to USD 2.6 bn from USD 2.3 bn in Q4FY26, up 13.6% QoQ.

Operating Margin: EBIT margin declined by 130 bps QoQ to 24.0% below our estimate of 25% and largely in line of consensus estimate of 24.1%. Margin declined due to the headwinds from wage hikes (-170 bps) & continued investments which were partially offset by tailwinds from currency & operational efficiencies (+40 bps).

Deal Wins: TCS in Q1 won deals of USD 9.5 bn in line of historical Q1 trend. During the quarter it won 1 mega deals and TCV wins of USD 4.7 bn, 2.5 bn & 1.4 bn in North America, BFSI & Consumer respectively. TCS also won a net-new AI-led business transformation deals of US\$ 800 mn mega deal from SKF.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR bn)	722	723	0.1	634	13.9
EBITDA (INR bn)	196	186	-5.2	169	10.0
Margin (%)	27.1	25.7	-143 bps	26.6	-93 bps
PAT (INR bn)	142	138	-2.4	128	8.5

Source: Company, PL

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Miss in margin, marginal beat in revenue

- Revenue at USD 7.64 bn, up 0.4% QoQ in CC slightly above our estimates of 0.3% & consensus estimate of 0.2% QoQ growth
- Segment wise in CC terms growth was led by Tech, BFSI & Regional markets which grew by 1.7%, 1.6% & 4% QoQ respectively while Consumer, Lifescience, EURS and Manufacturing declined by 4%, 1%, 0.7% & 0.5% respectively.
- Geo wise, North America, Continental Europe and MEA declined by 0.4%, 0.2% & 1.8% QoQ CC respectively while UK, APAC and India grew by 0.3%, 1.4% & 7.6% QoQ CC respectively.
- EBIT margin came at 24%, down 130 bps QoQ below our estimate of 25% & largely inline of consensus estimates of 24.1%. EBIT margin was impacted by headwinds of 170 bps from wage hike mitigated by tailwinds of 40 bps currency benefits.
- **Deal wins came at USD 9.5 bn compared to USD 12 bn in Q4. Deal wins include several multi-million deals including net new mega deal of USD 800 mn North America, BFSI & Consumer TCV wins came at USD 4.7 bn, 2.5 bn & 1.4 bn respectively**
- Adj. PAT came at Rs. 138.5 bn compared to our estimate of Rs. 142 bn due to miss in operating margins
- Declared Interim Dividend of Rs. 12/share
- Net employees increased by 9.3k to 593.8 k, second consecutive quarter of net employees addition

Conference Call Highlights

- The consumer business was affected by a combination of inflationary pressures and ongoing geopolitical uncertainties & manufacturing showed softness in certain segments like auto due to tariff pressure, macro uncertainty, EV recalibration, supply change, and cause discipline, but showed a positive outlook supported by the USD 800 mn mega deal. Management remained confident on growth prospects of ER&U segment on the back of AI infrastructure builder, electrification, renewables, security & mining, and critical materials.
- Management highlighted that the geopolitical uncertainties in March had a spillover effect on demand in Q1, but management remain optimistic that demand will resume in Q2 primarily because customers have significant amount of pent up technology backlog that has to be completed.
- Management undertook a refinement of cost categories to address the previously elevated other expenses, to provide a clearer view of the underlying cost drivers in Q1, without having affected margins.
- Management reiterated its aspiration to maintain FY26 margin levels through productivity, automation, pyramid & cost control, and by investing in capabilities that strengthen long-term competitiveness.
- The company is investing in AI capabilities, talent transformation, partner ecosystems, platforms, domain solutions, and cybersecurity to meet demand across Infrastructure & intelligent AI stack.
- Management highlighted strong growth momentum across services portfolio with multiple AI transformation bills across IT operations, software engineering, modernisation, business process transformation, and enterprise platform implementation, ranging from AI led optimisation to large scale AI native transformation programs.

- TCS will continue to drive focus execution on the infrastructure to intelligence strategy to integrate the latest advances into services, platforms, and solutions in collaboration with partnerships with frontier companies and new launches.
- Management stated that Agentic AI has rapidly dominated customer conversations, which is shaping how solutions are being designed & delivered.
- Management stated that lateral hiring is focused on domain specific and AI native talent, with over 50% of the lateral hires already possessing next generation skills, while campus hiring continues to focus on digital and AI native talent. Further, management believes that there won't be a significant reduction in white collar hiring, but the scope of work will undergo a change from software engineering and coding currently to prompt engineering, EB training models, testing models, and life cycle management.
- Management believes that the 10-15% productivity passback led revenue deflation will be compensated by additional opportunities generated from the customer

Exhibit 1: Quarterly Estimates

(INR bn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Sales	7,22,750	13.9	7,13,642	8.5	7,21,825	7.6	7,27,442	2.9
EBIT	1,73,170	11.6	1,78,410	7.7	1,83,344	8.6	1,84,720	3.4
Margin (%)	24.0	-50bps	25.0	-20bps	25.4	20bps	25.4	10bps
Adj. PAT	1,38,490	8.5	1,40,208	8.7	1,43,988	7.1	1,45,074	5.8

Source: Company, PL

Exhibit 2: Results: Miss on margins, marginal beat in revenue

	1QFY27	1QFY27E	% Var.	4QFY26	QoQ gr. (%)	1QFY26	YoY gr. (%)	FY27E	FY26	YoY gr. (%)
IT Services Revenue (USD m)	7,624	7,628	-0.1	7,621	0.0	7,421	2.7	30,881	30,017	2.9
Overall Revenue (INR b)	723	722	0.1	707	2.2	634	13.9	2,886	2,670	8.1
Gross Profit	286	287	-0.4	288	-0.6	248	15.3	1,162	1,070	8.6
Gross Margin (%)	39.6	39.8	-20bps	40.7	-110bps	39.1	50bps	40.3	40.1	20bps
SG&A and Other Costs	113.1	106.9	5.8	109	3.6	93	21.5	443	402	10.1
% of Rev	15.6	14.8	80bps	15.4	20bps	14.7	100bps	15.3	15.1	30bps
EBITDA	186	195	-4.6	193	-3.7	168	10.7	777	724	7.4
EBITDA Margin (%)	25.7	26.9	-130bps	27.3	-160bps	26.4	-80bps	26.9	27.1	-20bps
Depreciation	12	14	-11.9	14	-12	13	-0.9	58	56	4.0
% of Rev	1.7	1.9	-20bps	2.0	-30bps	2.0	-30bps	2.0	2.1	-10bps
EBIT	173	181	-4.1	179	-3.1	155	11.6	720	668	7.7
EBIT Margin (%)	24.0	25.0	-100bps	25.3	-130bps	24.5	-50bps	24.9	25.0	-10bps
Other Income (net)	13	9	37.9	5	163.2	15	-11.6	41	35	16.8
PBT	186	190	-2.0	183.6	1.4	169.8	9.6	761	704	8.1
Tax	47	47	-1.2	46	2.5	42	12.8	191	173	10.2
Effective tax rate (%)	25.2	25.0	20bps	24.9	30bps	24.5	70bps	25.1	24.6	50bps
Adjusted PAT	138	141.9	-2.4	137	1.0	128	8.5	568	528	7.5
Exceptional items	-5.0	-6.6	NA	0.0	NA	0.0	NA	-5	-45.3	NA
Reported PAT	133	135	-1.3	137	-2.7	128	4.6	563	483	16.5
Reported EPS (INR)	37	37	-1.3	38	-2.7	35	4.1	156	146	6.2

Source: Company, PL

Exhibit 3: Regional growth (%)

Geographies	Cont. To Rev. (%)	QoQ Gr. (%)
North America	48.3	-0.4
Latin America	2.0	5.3
UK	17.2	0.0
Continental Europe	15.4	-1.2
India	6.2	3.4
Asia Pacific	8.4	1.2
MEA	2.5	0.0

Source: Company, PL

Exhibit 4: Vertical Growth (%)

Services	Cont. To Rev. (%)	QoQ Gr. (%)
BFSI	32.1	1.6
Retail & CPG	15.0	-4.4
Communications & Media	5.7	-0.9
Manufacturing	8.7	-1.1
Life Sciences & Healthcare	10.3	0.5
Technology & Services	8.5	1.2
Energy and Utilities	6.2	-1.5
Regional markets & Others	13.3	2.3

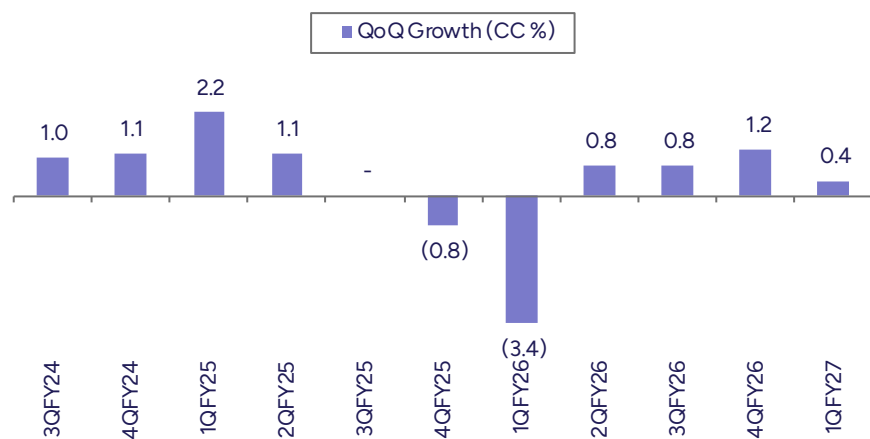
Source: Company, PL

Exhibit 5: Key Performance Indicator

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	1.1	0.0	-0.8	-3.4	0.8	0.8	1.2	0.0	-2.4	3.5
Costs (% of revenue)										
COGS	61.8	61.2	61.2	60.9	60.4	59.2	59.3	60.2	59.9	59.7
SGA	14.1	14.3	14.6	14.7	14.4	15.6	15.4	14.8	15.1	15.3
Margins										
Gross Margin	38.2	38.8	38.8	39.1	39.6	40.8	40.7	39.8	40.1	40.3
EBIT Margin	24.1	24.5	24.2	24.5	25.2	25.2	25.3	25.0	25.0	24.9
Net Margin	18.6	19.5	19.1	20.2	19.7	20.1	19.5	19.7	18.1	19.5
Operating metrics										
Headcount (k)	613	607	608	613	593	582	585	588	585	597
Attrition (%)	12.3	13.0	13.3	13.8	13.3	13.5	13.7	0.0	13.7	-
Deal Win TCV (USD bn)	8.6	10.2	12.2	9.4	10.0	9.3	12.0	0.0	40.7	-

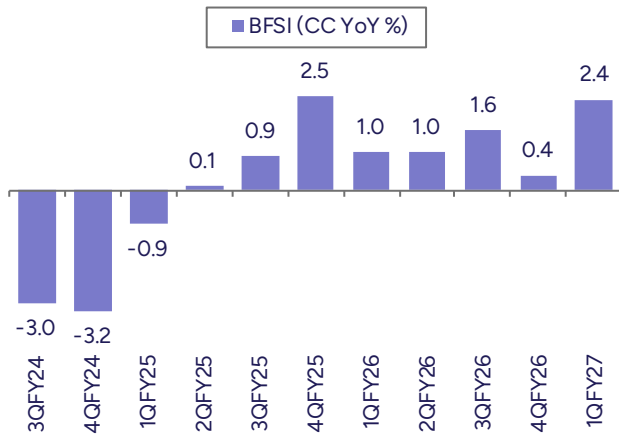
Source: Company, PL * YoY CC

Exhibit 6: Q1 revenue growth largely in line of PL



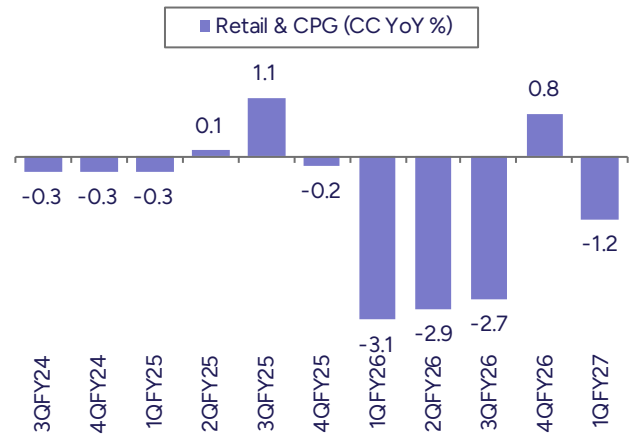
Source: Company, PL

Exhibit 7: BFSI growth remains steady



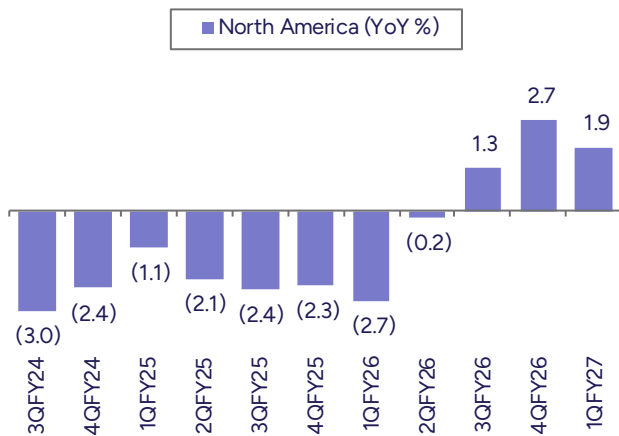
Source: Company, PL

Exhibit 8: Retail continues to show weakness



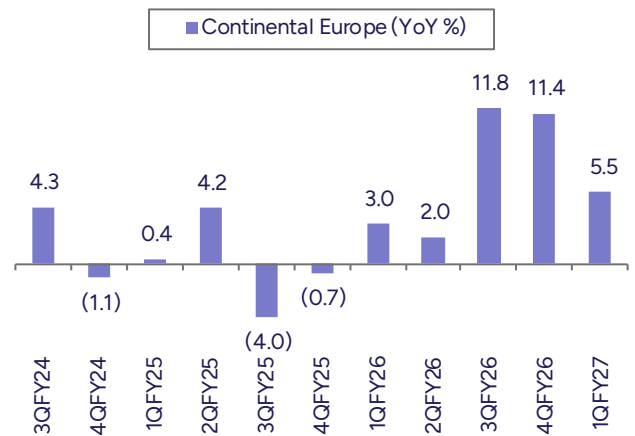
Source: Company, PL

Exhibit 9: North America growth continues



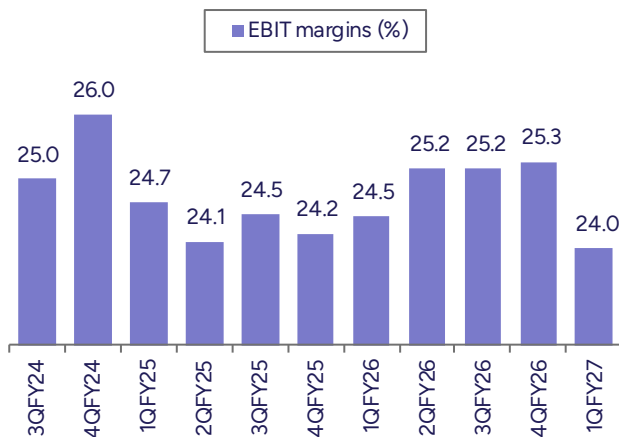
Source: Company, PL

Exhibit 10: Continental Europe growth steady



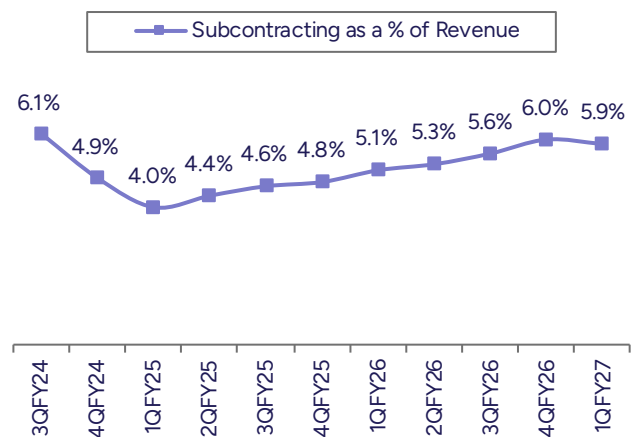
Source: Company, PL

Exhibit 11: Margins declined on account of wage hike impact



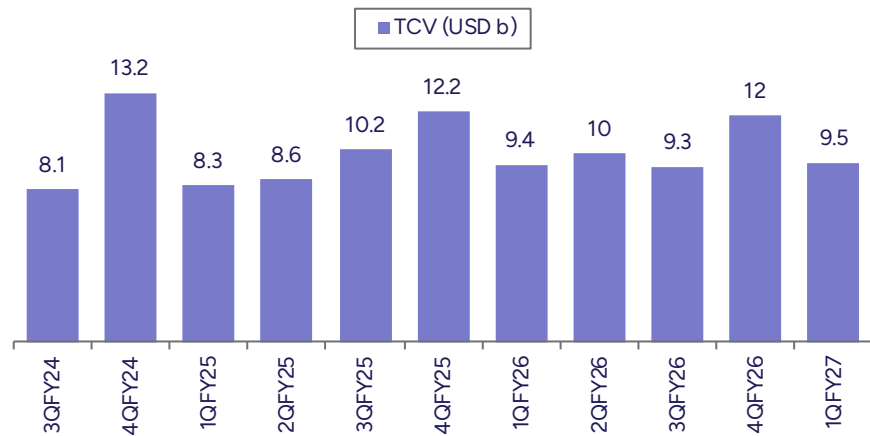
Source: Company, PL

Exhibit 12: Sub-contracting cost slightly declines



Source: Company, PL

Exhibit 13: Deal wins steady in Q1 in line of historical trend



Source: Company, PL

Exhibit 14: Operating Metrics

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Verticals (%)												
BFSI	32.6	31.7	31.3	30.9	30.8	30.5	31.2	32.0	32.2	31.9	31.6	32.1
Retail & CPG	15.9	15.7	15.7	15.4	15.1	15.3	15.3	15.6	15.3	15.4	15.7	15.0
Communication & Media	6.9	6.7	6.6	6.2	5.9	5.8	5.8	5.8	5.9	5.9	5.8	5.7
Manufacturing	8.5	8.6	8.8	8.8	8.6	8.4	8.4	8.7	8.8	8.8	8.8	8.7
Life Sciences & Healthcare	10.9	10.9	10.9	11.0	10.4	10.2	10.1	10.2	10.5	10.5	10.4	10.3
Technology & Services	8.6	8.4	8.2	8.1	8.0	8.0	8.1	8.4	8.5	8.4	8.4	8.5
Energy & Utilities	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Regional markets & Others	11.0	12.3	12.9	14.0	15.5	16.3	15.4	13.4	12.9	13.1	13.0	13.3
Geographies (%)												
North America	51.7	50.6	50.0	49.5	47.6	47.7	48.2	48.7	48.8	48.5	48.5	48.3
Latin America	2.0	2.1	2.0	1.9	1.8	1.9	1.8	1.9	1.9	2.0	1.9	2.0
UK	16.5	16.4	16.8	16.9	17.0	16.6	16.8	18.0	17.5	16.9	17.2	17.2
Continental Europe	14.9	15.0	14.6	14.4	14.6	13.9	14.3	15.0	15.3	15.6	15.6	15.4
India	4.9	6.1	6.7	7.5	8.9	9.8	8.4	5.8	5.8	6.1	6.0	6.2
Asia Pacific	7.8	7.8	7.8	7.8	8.0	7.8	8.1	8.4	8.3	8.3	8.3	8.4
MEA	2.2	2.0	2.1	2.0	2.1	2.3	2.4	2.2	2.4	2.6	2.5	2.5
QoQ growth (%)												
BFSI	0.1	-1.8	-0.1	0.6	1.9	-2.7	1.3	2.0	1.2	-0.4	0.5	1.6
Retail & CPG	-1.5	-0.3	1.1	0.0	0.2	-0.4	-1.0	1.4	-1.3	1.2	3.5	-4.4
Communication & Media	-1.6	-1.9	-0.4	-4.2	-2.7	-3.4	-1.0	-0.6	2.3	0.6	-0.2	-0.9
Manufacturing	2.2	2.2	3.5	1.9	-0.1	-4.0	-1.0	3.0	1.8	0.6	1.5	-1.1
Life Sciences & Healthcare	-1.1	1.0	1.1	2.9	-3.4	-3.6	-2.0	0.4	3.6	0.6	0.5	0.5
Technology & Services	-1.4	-1.4	-1.3	0.7	0.9	-1.7	0.3	3.1	1.8	-0.6	1.5	1.2
Energy and Utilities	1.6	2.8	-0.6	1.9	4.0	-3.4	0.8	2.9	0.6	2.3	6.6	-1.5
Regional markets & Others	0.7	12.9	6.1	10.6	13.1	3.4	-6.4	-13.5	-3.1	2.1	0.7	2.3
North America	-0.8	-1.2	-0.1	0.9	-1.7	-1.5	0.1	0.4	0.8	0.0	1.5	-0.4
Latin America	-0.2	6.0	-3.7	-3.2	-3.2	3.8	-6.2	4.9	0.6	5.9	1.1	5.3
UK	0.4	0.4	3.6	2.5	2.8	-4.0	0.2	6.5	-2.2	-2.9	3.3	0.0
Continental Europe	-0.2	1.7	-1.6	0.5	3.6	-6.4	1.9	4.3	2.6	2.5	1.5	-1.2
India	-0.2	25.7	11.1	14.1	21.3	8.2	-15.1	-31.4	0.6	5.8	-0.2	3.4
Asia Pacific	-0.2	1.0	1.1	1.9	4.8	-4.2	2.8	3.1	-0.6	0.6	1.5	1.2
MEA	9.8	-8.2	6.2	-2.9	7.3	7.7	3.3	-8.9	9.8	9.0	-2.4	0.0
Total Employees (k)	609.0	603.3	601.5	607.0	612.7	607.4	608.0	613.1	593.3	582.2	584.5	593.8
Net Additions (k)	-6.3	-5.7	-1.8	5.5	5.7	-5.4	0.6	5.1	-19.8	-11.2	2.4	9.3
Attrition (LTM %)	14.9	13.3	12.5	12.1	12.3	13.0	13.3	13.8	13.3	13.5	13.7	13.6

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	2,553	2,670	2,886	3,058
YoY gr. (%)	6.0	4.6	8.1	6.0
Cost of Goods Sold	1,560	1,600	1,723	1,826
Gross Profit	993	1,070	1,162	1,232
Margin (%)	38.9	40.1	40.3	40.3
Employee Cost	-	-	-	-
Other Expenses	64	73	443	465
EBITDA	673	724	777	832
YoY gr. (%)	4.6	7.6	7.4	7.0
Margin (%)	26.4	27.1	26.9	27.2
Depreciation and Amortization	51	56	58	64
EBIT	622	668	720	767
Margin (%)	24.3	25.0	24.9	25.1
Net Interest	-	-	-	-
Other Income	32	35	41	38
Profit Before Tax	653	704	761	806
Margin (%)	25.6	26.3	26.4	26.3
Total Tax	165	173	191	201
Effective Tax Rate (%)	25.3	24.6	25.1	25.0
Profit After Tax	488	531	570	604
Minority Interest	2	2	2	2
Share Profit from Associate	-	-	-	-
Adjusted PAT	486	528	568	602
YoY gr. (%)	4.2	8.8	7.5	6.0
Margin (%)	19.0	19.8	19.7	19.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	486	483	563	602
YoY gr. (%)	5.8	-	16.5	7.0
Margin (%)	19.0	18.1	19.5	19.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	486	483	563	602
Equity Shares O/s (bn)	4	4	4	4
EPS (INR)	134.2	146.0	156.9	166.4

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	672	749	794	841
Tangibles	672	749	794	841
Intangibles	-	-	-	-
Acc: Dep / Amortization	444	500	558	622
Tangibles	444	500	558	622
Intangibles	-	-	-	-
Net Fixed Assets	227	249	236	219
Tangibles	227	249	236	219
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	19	91	91	91
Non-Current Investments	56	43	46	48
Net Deferred Tax Assets	26	33	35	37
Other Non-Current Assets	29	39	42	45
Current Assets				
Investments	307	338	388	438
Inventories	-	-	-	-
Trade Receivables	501	576	623	660
Cash & Bank Balance	83	64	58	65
Other Current Assets	311	361	390	413
Total Assets	1,596	1,824	1,941	2,052
Equity				
Equity Share Capital	4	4	4	4
Other Equity	944	1,069	1,125	1,185
Total Network	948	1,072	1,129	1,189
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	99	118	127	135
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	139	148	160	169
Other Current Liabilities	391	461	498	528
Total Equity & Liabilities	1,596	1,824	1,941	2,052

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	488	495	756	806
Add. Depreciation	52	56	58	64
Add. Interest	(25)	(27)	-	-
Less Financial Other Income	32	35	41	38
Add. Other	(2)	3	-	-
Op. Profit before WC Changes	513	527	814	870
Net Changes-WC	(34)	(22)	(28)	(22)
Direct Tax	9	16	(191)	(201)
Net Cash from Op. Activities	489	521	595	646
Capital Expenditures	(50)	(116)	(45)	(47)
Interest / Dividend Income	31	31	-	-
Others	(4)	(43)	(50)	(50)
Net Cash from Inv. Activities	(23)	(128)	(95)	(97)
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	-	-	-	-
Dividend Paid	(450)	(396)	(506)	(542)
Interest Paid	(8)	(9)	-	-
Others	(16)	(17)	-	-
Net Cash from Fin. Activities	(474)	(421)	(506)	(542)
Net Change in Cash	(8)	(29)	(6)	7
Free Cash Flow	439	474	550	599

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	658	671	707	723
YoY gr. (%)	2.4	4.9	9.6	13.9
Raw Material Expenses	398	397	419	437
Gross Profit	260	274	288	286
Margin (%)	39.6	40.8	40.7	39.6
EBITDA	180	183	193	186
YoY gr. (%)	7.4	7.3	14.4	10.0
Margin (%)	27.3	27.2	27.3	25.7
Depreciation / Depletion	14	14	14	12
EBIT	166	169	179	173
Margin (%)	25.2	25.2	25.3	24.0
Net Interest	-	-	-	-
Other Income	6	9	5	13
Profit before Tax	172	178	184	186
Margin (%)	26.1	26.5	26.0	25.7
Total Tax	42	43	46	47
Effective Tax Rate (%)	24.7	24.2	24.9	25.2
Profit After Tax	130	135	138	139
Minority Interest	1	1	1	1
Share Profit from Associate	-	-	-	-
Adjusted PAT	129	134	137	138
YoY gr. (%)	8.4	8.5	12.2	8.5
Margin (%)	19.6	20.0	19.4	19.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	118	100	137	133
YoY gr. (%)	(1.2)	(18.8)	12.2	4.6
Margin (%)	17.9	15.0	19.4	18.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	118	100	137	133
Avg. Shares O/s (bn)	4	4	4	4
EPS (INR)	35.7	37.1	37.9	38.3

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	134.2	146.0	156.9	166.4
CEPS	148.3	161.4	172.9	184.1
BVPS	261.9	296.4	312.0	328.6
FCF	121.4	131.0	152.1	165.5
DPS	126.0	110.0	140.0	149.7
Return Ratio (%)				
RoCE	49.6	49.9	49.0	49.7
ROIC	31.5	29.7	29.9	30.2
RoE	51.8	52.3	51.6	52.0
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	52	59	59	59
Valuation (x)				
PER	15.2	14.0	13.0	12.3
P/B	7.8	6.9	6.5	6.2
P/CEPS	13.8	12.7	11.8	11.1
EV/EBITDA	10.4	9.7	8.9	8.3
EV/Sales	2.7	2.6	2.4	2.2
Dividend Yield (%)	6.1	5.3	6.8	7.3
FCFF Yield (%)	5.9	6.3	7.4	8.0
PEG Ratio	2.9	1.5	1.7	2.0

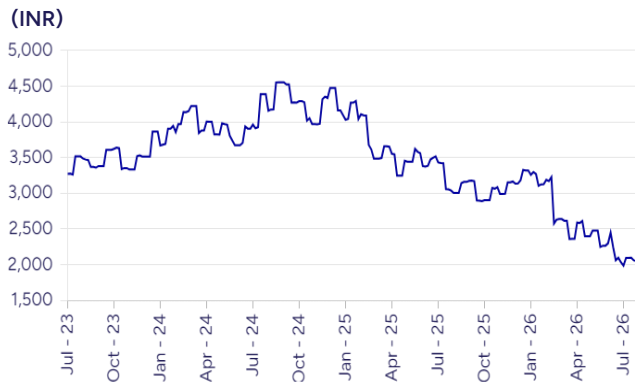
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	30,179	30,017	30,881	32,189

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	02-Jul-26	BUY	2540	2068
2	10-Apr-26	BUY	3450	2589
3	01-Apr-26	BUY	3520	2408
4	13-Jan-26	BUY	4040	3240
5	02-Jan-26	BUY	3970	3227
6	18-Dec-25	BUY	3800	3218
7	10-Oct-25	BUY	3800	3062
8	04-Oct-25	BUY	3950	2902
9	11-Jul-25	BUY	3920	3382
10	01-Jul-25	BUY	3980	3462

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	1980	1442
2	Cyient	HOLD	900	879
3	Fractal Analytics	Accumulate	1020	897
4	HCL Technologies	Accumulate	1140	1078
5	Infosys	BUY	1350	1041
6	KPIT Technologies	HOLD	580	559
7	L&T Technology Services	HOLD	3130	3167
8	Latent View Analytics	BUY	350	279
9	LTM	Accumulate	4020	3681
10	Mphasis	BUY	2990	2245
11	Persistent Systems	BUY	5570	4581
12	Tata Consultancy Services	BUY	2540	2068
13	Tata Elxsi	HOLD	3790	3671
14	Tata Technologies	Sell	510	712
15	Tech Mahindra	BUY	1650	1421
16	Wipro	HOLD	170	174

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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